Information
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Storefront for Art and Architecture

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President Johnson meeting with the Fletcher family on poverty trip stop in Inez, Kentucky, April 24, 1964. Courtesy Lyndon Baines Johnson Library.

Tracing the War on Poverty

One of the major twentieth century initiatives by the U.S. Government to rectify the disparity between affluent and poor Americans was the 1960s War on Poverty. By the late 1950s, increasing juvenile delinquency and crime and the breakdown of families represented to some a new social crisis. This was all the more notable as it occurred against the background of what was perceived as national economic well-being. These social problems were largely identified as the consequences of economic stratification.

While campaigning in West Virginia in 1960, John F. Kennedy witnessed the pervasive effects of chronic unemployment and poverty. Concurrently, several critical analyses of poverty were published, including Michael Harrington's *The Other America*. Harrington reflected on the influence of his book twenty-two years later: "The Other America was published in 1962 and was struck by lightning in 1963. In January of that year, Dwight Macdonald wrote a long review of the book in the *New Yorker*, which made poverty a topic of conversation in the socially conscious intellectual world of the Northeast. John Kennedy heard of those discussions and, as two members of his administration later told me, read *The Other America* and was moved by it. It was, they said, one of many factors in his decision to make poverty a central issue in the forthcoming campaign against Barry Goldwater." President Kennedy made fighting poverty a priority of his political agenda. In 1963, his administration conducted studies on race, poverty, and unemployment resulting in a national program and social service legislation to help counter poverty. After Kennedy's assassination, President Lyndon B. Johnson embraced the initiative and formalized it as the War on Poverty.

In his 1964 State of the Union Address Johnson declared "unconditional war on poverty in America," and stated, "Unfortunately, many Americans live on the outskirts of hope—some because of their poverty, and some because of their color, and all too many because of both. ... Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it." The War on Poverty initiative was intended to decrease poverty through economic growth and through creating new—as well as expanding existing—social programs. Development and distribution of antipoverty services were to be administered through communities.

What began in early 1964 on a rather ad hoc basis, involving numerous agencies and community groups, was soon transformed into a coherent plan in the form of the 1964 Economic Opportunity Act (EOA). The Economic Opportunity Act embodied education, training programs, job opportunities, and healthcare services rather than financial assistance or income guarantees. The EOA stated, "Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. ... It is, therefore, the policy of this Nation to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity." The Senate and the House of Representatives passed the Economic Opportunity Act (primarily with Democratic party votes) and President Johnson then signed the bill into law on August 20, 1964. The Act established the Office of Economic Opportunity (OEO) with Sargent Shriver as its director.

Not everyone was won over by the dramatic pronouncement of the War on Poverty. Speaking at an Antipoverty Program town meeting in Harlem in 1965, William F. Anderson declared, "The War on Poverty is phony—as phony as Social Security and Medicare. There is not an organization in the U.S. that wants to end poverty." To what degree the War on Poverty was rhetorical and superficial or, worse yet, a public relations stunt, and to what degree it represented sincere and lasting commitment to encouraging social and economic parity, was unclear. Beyond the representational benefits from publicizing social inequities and promoting community action, the War on Poverty concretely consisted of the OEO, which developed and operated programs including the Community Action Program, Job Corps, Work-Training and Work-Study Programs, Volunteers in Service to America, and Head Start.

From early on, the OEO struggled with administrative problems, competing goals, infighting, and confusion. Funding to and through the OEO became increasingly complicated and competitive. Debates, often acrimonious, ensued over where authority was located—with the Federal government, State and local politicians, community action organizations, or with poor citizens themselves. Among other factors, these territorial conflicts, along with the fact that Johnson turned his focus to escalating the war in Vietnam, meant that in the last half of the 1960s many of the programs operating under the auspices of the OEO were channeled into other departments or dismantled. In 1974 President Richard Nixon dissolved the OEO altogether.

Judging from recent literature on the subject, the consensus is that the War on Poverty benefited many, but fell far short of its rhetoric. While the number of Americans defined as poor decreased temporarily during the last half of the 1960s, the program did not effectively attack poverty on a structural level. Communications specialist David Zarefsky has written "Perhaps the most obvious discrepancy was between the 'unconditional war' goals and the funds appropriated for prosecution of the campaign. Most programs were not budgeted beyond the pilot-project level." Sociologist and politician Daniel Patrick Moynihan commented in the early seventies that the program was "oversold and underfinanced to the point that its failure was almost a matter of design." Professor Michael B. Katz stated, "John F. Kennedy did not intend to antagonize business or modify its power and privileges. Neither did Lyndon Johnson. Rather, through the magic of economic growth, they expected simultaneously to strengthen American capitalism, ameliorate suffering and injustice, and reduce the impact of racism on black Americans." He concluded, that despite the fact that the causes and the symptoms of poverty were not eradicated, "between the early 1960s and the mid-1970s, new or expanded government programs, much more than economic growth, reduced poverty, hunger, malnutrition, and diseases; increased the access of the poor to important social services; and lowered barriers to political participation, employment, housing, and education for black Americans."

The War on Poverty did not call for redistribution of wealth to redress the "paradox of poverty in the midst of plenty." Historian James T. Patterson has written, "the poverty program, like other government efforts of the early 1960s, reflected a conservative application of structuralist observations. The planners recognized that millions of the so-called new poor were not in the labor force, that they need income maintenance more than opportunity. They knew that formidable structural forces like technological change, shortages of decent paying jobs, and racial discrimination, blocked the opportunities of many who were willing and able to work." As Harrington put it, "There never was a massive investment of billions of dollars in radical innovations that challenged the very structure of power in the United States." The power structure of American capitalism and its accompanying socio-economic stratification remained intact, as they continue today.

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Tracing the Bush Tax Cuts

Each year since 2001, and with much fanfare, President George W. Bush has launched tax legislation that purports to provide tax relief for struggling families in particular and for the American people at large. A great deal of public debate has ensued over interpretation of the complicated tax cut packages, and over the Bush administration's claims about their impact on low- and middle-income households. President Bush signed his first tax bill, the Economic Growth and Tax Relief Reconciliation Act of 2001, into law on June 7, 2001. During the ceremony he stated, "Tax relief is an achievement for families struggling to enter the middle class. For hard working lower-income families, we have cut the bottom rate of federal income tax from 15 percent to 10 percent. … Tax relief is an achievement for middle class families."

While the President's contention that the bill provides help to low and middle-income citizens was widely celebrated and his tax bills have ample public support, numerous analysts and organizations have critically assessed the program. Among them is The Center on Budget and Policy Priorities, a policy organization that analyzes fiscal policy and public programs and is reputed by members of Congress and government administration officials for producing balanced, authoritative, accessible reports.

The Center on Budget and Policy Priorities has produced several influential reports that take issue with assertions made by the Bush administration about the tax cuts. One report states: "During 2000, Bush campaign officials touted their tax-cut plan as benefiting lower-income taxpayers substantially in two key ways—by doubling the child credit to $1,000 per child and by establishing a new ten percent tax-rate bracket. These features, however, do not affect a family that has no income tax liability before the Earned Income Tax Credit is computed. A large number of families fall into this category. … The level at which families now begin to pay federal income taxes is approximately 130 percent to 160 percent of the poverty line, depending on family type and family size. Families below the poverty line would receive no assistance from the tax cut. Nor would many families modestly above the poverty line."

The Center finds much of the information the Administration has set forth has been selective or misleading. As one example, President Bush has often cited the "average" tax cut that American families are receiving. The large majority of families are getting considerably less than this "average" amount. The tax cut that the typical household received in 2004 is less than half the amount that the President has described as being the "average" tax cut. How can this be? The Administration's median tax-cut figures are skewed upward by the inclusion of the very large tax cuts going to a relatively small number of very affluent taxpayers. Take, for example, a hypothetical situation where one taxpayer gets a $10,500 tax cut and nine taxpayers receive a $500 tax cut. Among these ten taxpayers, the average tax cut amounts to $1,500. Yet nine of the ten taxpayers are receiving a tax cut only one-third that size.

The Urban-Brookings Tax Policy Center data indicates in 2003 that the average tax cut for tax filers in the middle fifth of the population—those filers right in the middle of the income spectrum—would be $256, only one-fourth the $1,083 figure the Administration is citing for the average taxpayer. The average tax cut for the bottom eighty percent of tax filers would be $226. By contrast, the top one percent of tax filers would receive an average tax cut of $24,100. Those with incomes of more than $1 million would get tax cuts averaging a whopping $90,200.

President Bush, surrounded by lawmakers, signs his $1.35 trillion tax cut bill, June 7, 2001. Photo: Ron Edmonds. Courtesy Associated Press, AP.

Positive claims about the long-term effects of the tax cuts on the economy are dramatically at odds with a host of studies finding adverse fiscal, distributional, and long-term economic effects from the tax cuts. These are from such respected institutions and analysts as the Joint Committee on Taxation, and the Congressional Budget Office, the International Monetary Fund, Brookings Institution economists, Federal Reserve economists, and the business-based Committee for Economic Development.

The Center's 2004 report titled "The Ultimate Burden of the Tax Cuts" summarizes, "Popular discussions about the advisability of these tax cuts have commonly ignored a simple truth: someone, somewhere, at some time will have to pay for them. The payment may be in the form of increases in other taxes, reductions in government programs, or some combination of the two; the payment may occur now or later; it may be transparent or hidden. But iron laws of arithmetic and fiscal solvency tell us that the payment has to occur. To date, the tax cuts have been funded with increased borrowing."

The Bush administration tax cuts are considered to be the primary cause for the projected increase in the federal deficit. New Administration data show that the tax cuts have played a bigger role than all other legislation enacted since the start of 2001 in creating the budget deficit. Tax cuts have contributed more to the worsening fiscal situation than all other new government policies combined, including all new costs related to Iraq and the war on terrorism and all domestic spending increases. Bush's tax programs are likely to consume most, if not all, of the available surplus outside Social Security and Medicare.

From 2005 through 2014, the increased interest payments on the debt that will result from the tax cuts will amount to approximately $1.1 trillion, if the tax cuts are made permanent and the tax-cut proposals in the Administrations fiscal year 2005 budget are enacted. The interest payments would reach $218 billion in 2014. Without the tax cuts, deficits would be modest over the next ten years and be below $100 billion in 2014. By contrast, with the Administration's tax-cut policies, the deficit is likely to grow to approximately $677 billion by 2014. Over the ten-year period from 2005 through 2014, the tax cuts will increase federal deficits by nearly $4 trillion. This includes the cost of the increased interest payments that will have to be paid on the national debt.

Data issued by the Congressional Budget Office (CBO) shows that "the income gap in 2000 was the widest it has been since 1979, and likely was the widest it has been in 70 years. … [I]ncome was more concentrated at the very top of the income spectrum in 2002 … than in all but six years since the mid-1930s. … Further, some of the tax cuts that were enacted in 2001 are still being phased in. … Those at the top of the income scale continue to receive an exceptionally large share of the nation's income."

Although circumstances in the private economy principally influence income disparities, government policy can certainly encourage or mitigate the growing disproportion. David Francis, reporting for the Christian Science Monitor on May 23, 2001 stated, "President Bush's tax cut promises to have a side effect that bothers many Americans: widening the gap between rich and poor. … But Bush and congressional Republicans rest the tax cut on their own argument of fairness: It is the prosperous who pay the bulk of income taxes, so they should get most of the tax relief." Tax experts generally agree that the Bush tax cuts enacted since 2001 widen income disparities further than ever before in U.S. history.

SOURCES

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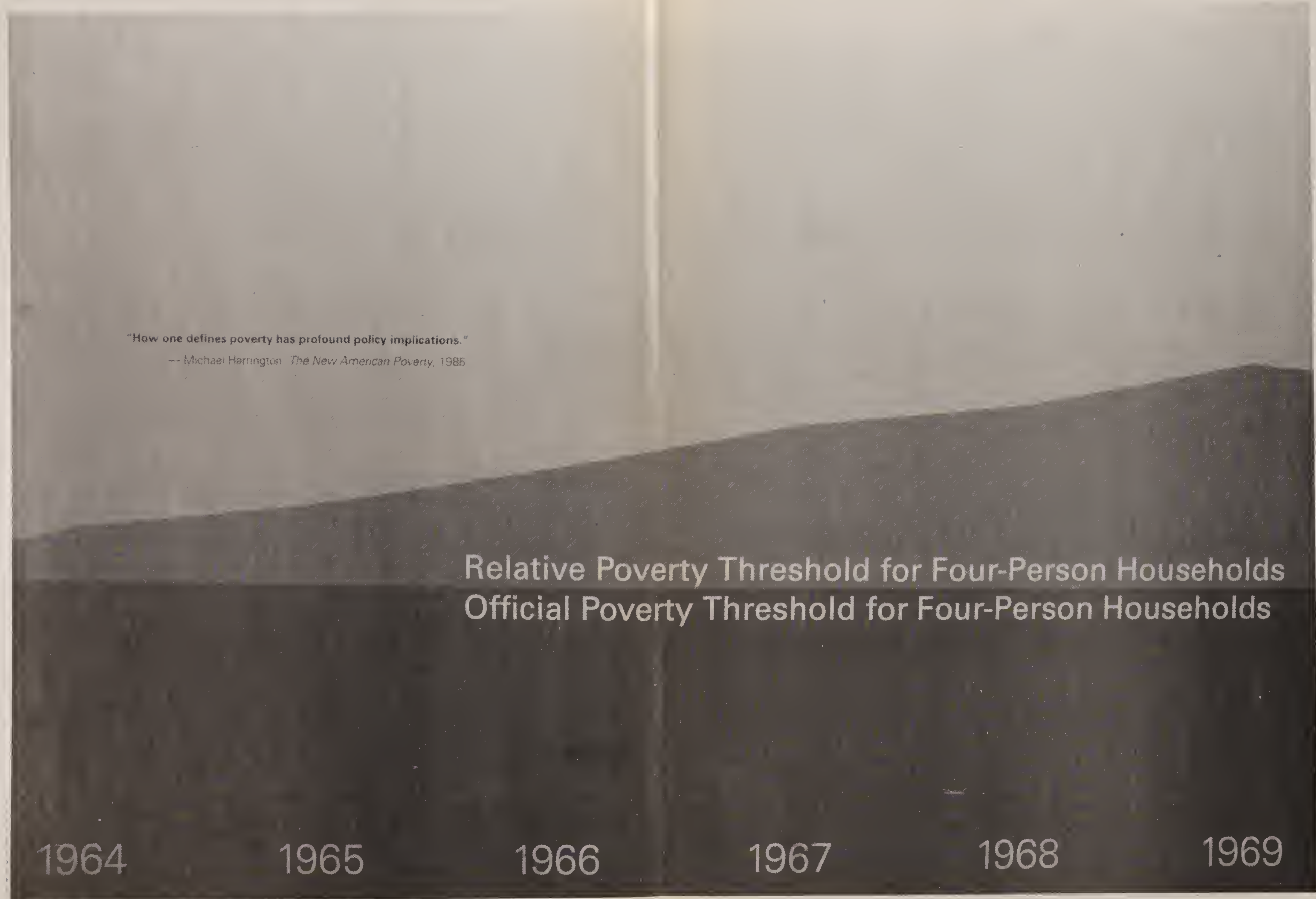
Various documents and data from the Urban-Brookings Tax Policy Center at www.taxpolicycenter.org/.

Julie Ault and Martin Beck are artists and authors based in New York City. Ault and Beck's exhibition *Information* investigates the production of poverty within the U.S. Based on government data referring to poverty measures over the last forty years as well as the increasing income gap, *Information* focuses on systemic parameters for what constitutes poverty as a socio-economic standing, principally the "poverty line." The poverty line is a concrete, abstract, and symbolic parameter or dividing device that points to governmental debates and policies relevant to economic divisions in American society.

Information takes the form of a large scale mural, inserting into Storefront's exhibition space a visual landscape that layers aesthetic and political representations.

"How one defines poverty has profound policy implications."

— Michael Harrington, *The New American Poverty*, 1985



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Founded in 1982, Storefront for Art and Architecture is a nonprofit organization committed to the advancement of innovative architecture, art and design.

Storefront's programs are made possible by the New York State Council on the Arts, a state agency; The New York City Department of Cultural Affairs, The Lily Auchincloss Foundation, The Stephen A. and Diana L. Goldberg Foundation, The Andy Warhol Foundation for the Visual Arts, Storefront's Board of Directors and members, among others.

Gallery hours are Tuesday–Saturday, 11:00 AM – 6:00 PM.
The gallery is located at 97 Kenmare Street, between Mulberry and Lafayette Street (trains: 6 at Spring or N / R at Prince).

For more information about upcoming programs and supporting Storefront, please see our web site: www.storefrontnews.org or call 212.431.5795

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